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SECURITY INFORMATION

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CENTRAL INTELLIGENCE AGENCY

13 February 1952

SUBJECT: PRELIMINARY DRAFT: NIE-35/1: PROBABLE DEVELOPMENTS
IN INDOCHINA THROUGH MID-1952
(For Board consideration)

THE PROBLEM

To estimate probable developments in Indochina through mid-1952 with particular emphasis on probable Chinese Communist courses of action in that area.

CONCLUSIONS

1. Although there is evidence of a weakening of Franco-Vietnamese determination and ability to continue resistance, we believe that the Franco-Vietnamese forces will continue to hold substantially their present military position in Indochina during the period of this estimate.

2. While French sentiment for a negotiated settlement with the Communists is likely to increase, we believe that the French will continue their war effort in Indochina, but at the same time will attempt to reduce their commitments there by insisting upon

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additional US financial assistance and by seeking an "internationalization" of the defense of Indochina.

3. Regardless of commitments in Korea, the Chinese Communists have the capability to commit and support approximately 150,000 troops in an invasion of Indochina. This force could probably cause the Franco-Vietnamese forces to evacuate Tonkin before effective resistance could be brought to bear.

4. We believe, however, that the Chinese Communists will not directly intervene in Indochina during the period of this estimate.

5. The Chinese Communists have the capability to continue and to expand gradually the scale and nature of their present assistance to the Viet Minh. We believe that the Chinese Communists will follow this course of action and may in addition incorporate Chinese military personnel in Viet Minh combat units, but in pursuit of this policy will stop short of any degree of assistance which they estimate might provoke Western retaliatory action against China and/or a major increase in outside assistance to the French.

DISCUSSION

THE CURRENT SITUATION

6. The current military situation in Indochina remains one of stalemate. Since the publication on 7 August 1951 of NIE-35:

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"Probable Developments in Indochina During the Remainder of 1951," the French have extended their Red River delta perimeter around Hanoi and Haiphong westward to Hoa Binh, but the Viet Minh have been vigorously counterattacking at various points since early December and have forced the French to supply Hoa Binh from the air. (See Map #1.) In the Hanoi-Haiphong area of Tonkin, 115,000 Franco-Vietnamese regular troops currently confront an estimated 97,500 Viet Minh regular troops. Elsewhere in Indochina, guerrilla-type warfare continues and the Viet Minh still control northern Tonkin, major portions of the Annam coast and parts of Cochinchina and Cambodia. (See Map #2.)

7. There has been a great improvement in the vigor, coordination and effectiveness of recent Viet Minh attacks along the French perimeter in Tonkin. The Viet Minh have mounted a sustained frontal attack in the western delta area, and elsewhere in the delta have infiltrated one division and major elements of another into the Franco-Vietnamese lines where they are now conducting harassing operations within the Tonkin perimeter. The Viet Minh are now for the first time employing both field and antiaircraft artillery. Although the Viet Minh have suffered heavy casualties and have been unable to achieve a major victory in Tonkin, they appear to be replacing their losses and have forced the French to commit almost all of their Tonkin reserves to the operations in the western delta.

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8. This increased capability reflects a considerable increase in Chinese advisory, training and logistic assistance to the Viet Minh. While there is no conclusive evidence that Chinese personnel, either in units or as individuals, are serving with Viet Minh combat units, there are believed to be approximately 15,000 Chinese with the Viet Minh serving in technical and advisory capacities. There has been considerable improvement of transportation routes and facilities from South China into Indochina. Chinese Communist logistic assistance to the Viet Minh via these routes is at an all time high, while stockpiling on both sides of the border is believed to be far in excess of present Viet Minh requirements.

9. Although French losses have been heavy, the combat effectiveness of the French forces remains high. The combat effectiveness of the Associated States' forces, except for certain operational battalions, is not yet adequate to fit them for combat operations, and these forces are primarily performing static defense roles. US MDAP aid has been of critical importance to the regular French forces during recent operations. Although the attrition rate in French equipment is high, MDAP logistic assistance is compensating for these losses.

10. With one exception, there has been little significant change in the political situation within Vietnam, the most important of the Associated States, since the publication of NIE-35, and the factors

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discussed in NIE-35 which limit the development of a strong Vietnamese government still apply. The one exception in this situation has been the adverse effect upon Vietnamese morale of the death of General de Lattre and of increasing evidences that the French may be considering a negotiated settlement with the Communists.

11. The morale and virility of the Viet Minh have probably improved since the publication of NIE-35. Viet Minh spirits have reportedly been raised by the recent death of General de Lattre, the expanded scale of Chinese Communist assistance, the debilitating effect which the sustained Viet Minh offensive has had upon the French, and the increasing signs of a weakening Franco-Vietnamese will to resist. The trend of the Viet Minh away from a revolutionary national movement and towards the pattern of a Communist regime continues. The food shortage is being alleviated by rice gained from within the French perimeter. Although Ho Chih Minh, still the most important Viet Minh figure, is reportedly opposed to a Chinese Communist invasion of Indochina, there is no evidence of serious friction between the Viet Minh and the Chinese Communists.

VIET MINH AND FRANCO-VIETNAMESE CAPABILITIES AND INTENTIONS

12. We believe that the Viet Minh will probably be able to retake Hoa Binh and to continue to infiltrate the French lines in Tonkin, but

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will be unable further to decrease the French defense perimeter during the period of this estimate. Although the over-all combat effectiveness of the Viet Minh forces will continue gradually to improve, the Viet Minh will not be able to maintain large-scale offensives at their current scale. Elsewhere in Indochina, the Viet Minh will continue and will gradually increase their terrorist and guerrilla tactics.

13. We believe that the French government is giving increased policy consideration to a reduction, by one means or another, of its Indochinese commitments. The following factors contribute to this conclusion. Official feeling is growing that France cannot simultaneously support presently projected military efforts in both Europe and Asia. The French presently estimate that, with present US aid, the maximum 1952 military budget that is politically and economically possible will fall about \$800 million short of projected requirements for NATO and Indochina together. Because of the overriding considerations of France's position in Europe vis-a-vis a reviving Germany, a reduction of its Indochina commitments may be viewed as the lesser evil. Especially with the death of De Lattre there has been a growing appreciation that the distant and costly Indochinese war offers few rewards even if won. This appreciation is lowering official and popular morale and is increasing political sentiment among the moderate parties for some "solution" of the Indochinese problem. The alternative avenues by which France will seek to achieve this reduction of its commitments are: (a) by insisting that much of the

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burden for the defense of Indochina be shifted to the US; (b) by seeking to "internationalize" (US-UK-France) the defense of Indochina; or possibly (c) by including the issue of Indochina within the context of a general Far East settlement. Should these avenues prove inadequate, the French may seriously consider direct negotiations with the Viet Minh and/or the Chinese Communists.

14. Within the period under review, however, we believe that a French military withdrawal from Indochina is unlikely despite the increasingly strong underlying pressures for a reduction of their Indochinese commitments. Strong factors still hold the French to their present commitments. These include: (a) the intangible but powerful factor of prestige; (b) the fear that withdrawal from Indochina would result in the dissolution of the French Union; (c) the concern over the fate of French nationals and investments in Indochina; (d) the feeling (on the part of some officials, at least) that no negotiated settlement could be achieved that would lastingly salvage anything for the French or result in a genuine international solution; and (e) the great practical difficulty of achieving any military extrication without having a politically negotiated settlement.

15. Within Indochina, we believe that there will be no improvement during the period of this estimate in the morale or the political strength of the Vietnamese. The efforts of the French and the Bao Dai regime to resist Communist pressure will continue to receive

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no enthusiastic support by a people who do not recognize much of a personal stake in the war effort and apparently mistrust French motives more than they recognize any danger from the Communists.

CHINESE COMMUNIST CAPABILITIES AND INTENTIONS

16. There are numerous indications of an improvement in transportation routes and facilities leading from South China into Indochina, and an increase in Chinese Communist troop buildup and stockpiling along the Indochina border. These indications give the Chinese a capability either to invade Indochina or to increase the scale and nature of their military assistance to the Viet Minh.

17. If the Chinese should decide to intervene directly in Indochina, they have 300,000 troops available in South China, regardless of events in Korea, upon which they could draw for such an invasion. We believe, however, that of this number they could actually commit and support logistically 150,000 troops. Logistic and transportation difficulties would limit the operations of these troops to a series of local offensives, each of about one week's duration, between which offensives time would be needed for replenishment of supplies and repair of transportation facilities. The combat efficiency of these troops is probably equal to that of the Chinese troops now in Korea, with due allowance for a disparity in supporting weapons. So long as the Korean war continues, the Chinese Communists would not be

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capable of committing any significant amount of artillery for an invasion of Indochina. The infantry forces, however, are probably adequately equipped with normal infantry light weapons. These Chinese troops, added to those of the Viet Minh, would probably be able to force the French and the Vietnamese troops to evacuate Tonkin before any effective assistance could be brought to bear. Although the Chinese would probably not commit any jet aircraft so long as hostilities in Korea continue, the CCAF, if committed, would nevertheless be able, employing only piston-driven aircraft, to render ineffective the French Air Force in Tonkin.

18. We believe, however, that the Chinese Communists will not invade Indochina during the period of this estimate. Although the increased Chinese Communist capabilities in South China suggest preparations for an invasion of Indochina, present evidence does not indicate that such an invasion is necessarily imminent. Other considerations, furthermore, argue against a direct intervention by the Chinese.

- a. Current Communist tactics are bringing considerable success and are weakening the determination and ability to continue resistance of both the Vietnamese and the French.
- b. An invasion of Indochina would contradict the pattern thus far set by the Communists in Korea, that of

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demonstrating a seeming desire to avoid an extension of hostilities.

- c. The present Chinese Communist pressure against Indochina is an excellent bargaining weapon for any future negotiations for an over-all political settlement in the Far East, and could be in particular, by making the French more receptive to proposals which promised an early settlement in the Far East, a useful Communist tool for dividing the Western powers.
- d. Recent Western moves have probably made world Communist leadership aware that the West, and in particular the US, may react vigorously should Communist China invade Indochina. This fear of retaliation is probably somewhat offset by Communist recognition of divided opinions in the West as to the merits and timing of such retaliation. On balance, however, fear of drastic retaliatory action against the mainland of China is probably sufficient to be a paramount factor dissuading the Chinese Communists from openly intervening in Indochina.
- e. Indochina is an area of secondary importance to the Communists in comparison to North China and Manchuria.

19. We believe that the Chinese Communists will, short of open intervention, continue and gradually expand the scale and nature

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of their present assistance to the Viet Minh. Even assuming continuing heavy commitments in Korea, the Chinese will face no forbidding difficulty in providing technical and logistic assistance to the Viet Minh, the principal limitations upon increased assistance being the availability of materiel, particularly heavy equipment, the terrain of the border region and the still limited transportation routes and facilities in South China. The Chinese have the capability to continue and to expand the present level of supplies to the Viet Minh of light arms and ammunition, vehicles, some field and anti-aircraft artillery, and communication and medical equipment.

20. The Chinese will continue to commit technical and advisory personnel to the Viet Minh and may incorporate Chinese "volunteers" in Viet Minh combat units. Although the Viet Minh has the capability to absorb 30,000 -- 50,000 such "volunteers", an addition of strength which would probably enable the Communists to decrease the French defense perimeter in Tonkin and perhaps even retake Hanoi, we do not believe that Chinese "volunteers" in any such volume will be introduced into the Viet Minh during the period of this estimate.

21. Consequently, the probable outlook through mid-1952 in Indochina is one of continued military stalemate. The receipt by the French of MDAP assistance from the US will be largely offset by increased Chinese support to the Viet Minh. We foresee some

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small territorial gains by the Viet Minh, but no major victory on either side during the period of this estimate. Although the French will continue their war effort and will substantially hold their present positions in Indochina, there may be a gradual weakening in Franco-Vietnamese will to resist. The Chinese Communists will not openly intervene in Indochina during the period under review, but will increase their logistic and advisory support of the Viet Minh and may introduce Chinese "volunteers" into its combat ranks. The Chinese will, however, stop short of giving whatever degree of assistance they estimate might provoke Western retaliation against China and/or a major increase in outside assistance to the French.

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